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77TH CONGRESS }
2d Session }

SENATE

REPORT
No. 1360

REDUCTION OF INTEREST RATES ON FEDERAL LAND BANK AND LAND BANK COMMISSIONER LOANS

MAY 20 (legislative day, MAY 15), 1942.—Ordered to be printed

Mr. BANKHEAD, from the Committee on Banking and Currency,
submitted the following

REPORT

[To accompany S. 2544]

The Committee on Banking and Currency, to whom was referred the bill (S. 2544) to extend the reduced rates of interest on Federal land bank and Land Bank Commissioner loans, and for other purposes, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

STATEMENT

The bill extends for 2 additional years the reduced interest rate of 3½ percent per annum on Federal land bank and Land Bank Commissioner loans. Under existing law the last previous extension will expire on July 1, 1942, and the bill provides that the extension period will expire on July 1, 1944.

Section 2 of the bill also contains a provision which in effect provides a 4-percent interest rate for purchase-money mortgages and real-estate sales contracts taken by the Federal Farm Mortgage Corporation where such interest is payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944.

A BILL To extend the reduced rates of interest on Federal land bank and Land Bank Commissioner loans and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first sentence of paragraph twelfth of section 12 of the Federal Farm Loan Act, as amended (relating to the 3½ percent interest rate on Federal land bank loans), is amended by striking out "occurring within a period of seven years commencing July 1, 1935" and inserting in lieu thereof "occurring within a period of nine years commencing July 1, 1935".

(b) Said paragraph twelfth, as amended, is further amended by inserting immediately following the second sentence of said paragraph the following: "The foregoing provisions shall also apply to interest on so-called purchase-money

mortgages and on real-estate sales contracts taken by the Federal land banks which is payable on installment dates occurring after June 30, 1942, except that in the case of such mortgages and contracts the rate of interest shall be one-half of 1 per centum per annum in excess of the rate paid by borrowers on mortgage loans made through national farm-loan associations".

(c) The fourth sentence of said paragraph Twelfth (relating to the 1942 time limit on payments made by the United States to land banks on account of such interest reduction), is amended to read as follows: "No payments shall be made to a bank with respect to any period after June 30, 1944".

Sec. 2. The last paragraph of section 32 of the Emergency Farm Mortgage Act of 1933, as amended (relating to reduction in the interest rate on loans by the Land Bank Commissioner), is amended to read as follows: "Notwithstanding the foregoing provisions of this section, the rate of interest on loans made under this section shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on or after July 22, 1937, and prior to July 1, 1940, and shall not exceed 3½ per centum per annum for all interest payable on installment dates occurring on or after July 1, 1940, and prior to July 1, 1944. Notwithstanding the interest rate provided for in so-called purchase-money mortgages and real estate sales contracts taken by the Federal Farm Mortgage Corporation, the rate of interest payable on such mortgages and contracts shall not exceed 4 per centum per annum for all interest payable on installment dates occurring on and after July 1, 1942, and prior to July 1, 1944."



REPORT